



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

HIGHLIGHTS

June 11, 2014

Grievance Payout Costs in the South Florida District Report Number HR-MA-14-008

BACKGROUND:

The U.S. Postal Service has about 490,000 career employees, most of whom are covered by collective bargaining agreements with the four major postal unions. The National Labor Relations Act gives employees and unions the right to file grievances, which are disputes between an employer and employee or unions over interpretation or application of, or compliance with, the agreements.

The grievance-arbitration process provides a mechanism for resolving disagreements between management and employees or unions over wages, hours, and employment conditions. A grievance payout cost is payment to an employee as part of a grievance settlement.

Nationwide, Postal Service grievance payout costs decreased from \$179 million in fiscal year (FY) 2009 to \$87 million in FY 2012 but increased to \$106 million in FY 2013. The South Florida District had more than \$7.6 million in grievance payout costs in FY 2013, which was the highest payout of 67 districts. The U.S. Postal Service Office of Inspector General Human Resources risk model revealed the South Florida District ranked among districts with the highest grievance costs.

Our objective was to determine the cause of high grievance payout costs in the South Florida District.

WHAT THE OIG FOUND:

We reviewed 30 randomly selected FY 2013 grievance payout costs from the South Florida District totaling \$22,771 and found supervisors violated Postal Service agreements primarily to address overtime and staffing issues. Fifteen of 30 grievance payouts were related to overtime. We found supervisors did not appropriately assign overtime, required employees to work outside their skill sets, moved carriers from their regular routes, performed employees' duties, denied access to union representatives, and took other violative actions to address overtime and staffing issues.

In the South Florida District, overall grievance payout costs increased 95 percent from FYs 2012 to 2013 primarily due to a backlog of claims and a significant one-time settlement from FY 2008. Grievance payout costs related to overtime issues increased 82 percent. We identified accountability measures in the Central Plains District that could benefit the South Florida District. Accountability measures will help ensure management corrects ongoing issues so fewer grievances exist.

WHAT THE OIG RECOMMENDED:

We recommended management implement accountability measures from the Central Plains District regarding grievances and grievance payout costs.